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ARIZONA CORPORATION COMMISSION

2010 DEC -7 A 11: 51

Arizona Corporation Commission

December 7, 2010

DOCKETED

AZ CORP COM  
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Gary H. Horton, Esq.  
PMB 447  
989 S. Main Street, Suite A  
Cottonwood, Arizona 86326

DEC 7 2010

Via E-mail and United States Mail

ghorton\_57@msn.com

DOCKETED BY

A handwritten signature, likely of Gary H. Horton, is written over the "DOCKETED BY" stamp.

Re: Staff's Second Letter of Insufficiency and Second Set of Data Requests to Midvale Telephone Exchange, Inc., Docket No. T-02532A-08-0542

Dear Mr. Horton:

On October 17, 2008, Midvale Telephone Exchange ("Midvale") filed an Application at the Arizona Corporation Commission ("Commission") for an Amendment to Its Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services within the State of Arizona. On November 14, 2008, Staff sent a Letter of Insufficiency and Staff's First Set of Data Requests to Midvale. On May 12, 2010, Midvale filed an Amended Application. On June 14, 2010, Midvale submitted its responses to Staff's Letter of Insufficiency and Staff's First Set of Data Requests. On November 15, 2010, Midvale filed a Second Amended Application. The Second Amended Application submitted is not yet sufficient. This data request lists the information Staff needs to complete its analysis of the Application.

For purposes of this data request set, the words "Midvale", "Applicant", the "Company", "you", and "your" refer to Midvale Telephone Exchange, Inc., any representative, including every person and/or entity acting with, under the control of, or on behalf of Midvale Telephone Exchange, Inc.. **For each answer, please identify by name, title, e-mail address, telephone number and address each person providing information that forms the basis for the response provided.**

These data requests are continuing, and your answers or any documents supplied in response to these data requests should be supplemented with any additional information or documents that come to your attention after you have provided your initial responses. Also, please make sure all information you provide in response to item(s) concerning this Application, including Staff's data requests, is updated and current. If you need to update your response to any item(s)/request(s), please reference the item(s)/request(s) and provide your current response(s).

Please provide Docket Control with the information being requested within **30 days** of the date of this letter. Mail an Original plus 13 copies to Docket Control, Arizona Corporation Commission, 1200 W. Washington Street, Phoenix, AZ 85007-2927. If no response is received, Staff will recommend that the Application be terminated. If the Application is terminated, the Applicant cannot provide to the requested CC&N extension area the telecommunications

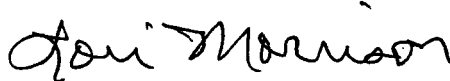
services that it is authorized to provide in Arizona, until such time as a new Application is filed with and approved by the Commission.

*Please provide one hard copy as well as searchable PDF, DOC or EXCEL files (via email or electronic media) of the requested data directly to each of the following addressees via overnight delivery services to:*

- (1) Lori Morrison, Utilities Division, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 – ([lmorrison@azcc.gov](mailto:lmorrison@azcc.gov)).
- (2) Maureen Scott, Staff Attorney, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007 – ([mscott@azcc.gov](mailto:mscott@azcc.gov))

Remember that information submitted concerning a CC&N will be made a part of the public record (including financial statements). Any information designated as confidential will not be accepted by Docket Control. Should there be any questions, please contact me at (602) 542-2177. Thank you for your prompt response to this request.

Sincerely,



Lori Morrison  
Utilities Consultant, Utilities Division  
(602) 542-2177

Enclosure(s)

CC: Docket Control (Original and Thirteen Copies)  
Maureen Scott, Legal Division

STAFF'S SECOND SET OF DATA REQUESTS TO  
MIDVALE TELEPHONE EXCHANGE, INC.  
DOCKET NO. T-02532A-08-0542

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**In addition to a paper response, all information responses should also be provided in searchable PDF, DOC or EXCEL files via email or electronic media.**

Please make sure each numbered item and each part of the item is answered completely. In order for Staff to continue with its review of this Application, the following information must be submitted:

- STF 2.1      Referencing the Second Amended Application, please provide updates to any responses to Staff's First Set of Data Requests that need to be revised given the additional extension area.
- STF 2.2      In regards to Section V of the Company's Application, has the Company performed a survey of the requested CC&N extension area to determine how many occupied structures are within it? If yes, please identify by township, range and section where occupied structures are located. Please identify business and residential separately.
- STF 2.3      If the Company's response to STF 2.2 above is in the negative, what is the basis for the Company selection of the geography it wishes to add to its certificated area? Please respond with specificity.
- STF 2.4      Please identify, by township, range and section, any existing, or known to be planned, residential developments that are within the requested CC&N extension area.
- STF 2.5      Aside from the two customers identified in the original application, has the Company received any formal requests for service from potential customers whose residence or business resides within the requested CC&N extension area identified in the Second Amended Application? If yes, by year, a) how many residential, b) how many business and c) in what township, range and section are the potential customers located within?
- STF 2.6      Aside from the two customers identified in the original application, has the Company received any letters or other forms of communication from potential customers whose residence or business resides within the requested CC&N extension area, identified in the Second Amended Application, inquiring if the Company could become the service provider? If yes, by year, a) how many residential, b) how many business and c) in what township, range and section are the potential customers located within?
- STF 2.7      Has the Company conducted any study or other analysis regarding customer growth within the requested CC&N extension area? If yes, please summarize the results of such studies or analysis. If no, why hasn't the company done so?

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MIDVALE TELEPHONE EXCHANGE, INC.  
DOCKET NO. T-02532A-08-0542

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- STF 2.8      Should the Company's Application be granted, does the Company believe an adjustments to its rates would be necessary in order to serve the requested CC&N extension area? If yes, please explain.
- STF 2.9      In regards to Section VI of the Company's Second Amended Application, the Company states all construction would feature Fiber to the Home ("FTTH") technology and connection to provide service would be made with existing outside plant. Please explain in detail the manner in which the Company believes it would construct or extend its existing facilities in the requested CC&N extension area. (If constructing facilities, please specify the sequence of sections and accompanying timeframes for start of construction, construction completion and available to be placed in service to accommodate customer orders.)
- STF 2.10     Should the Company's Application be granted, and facilities constructed in accordance with the Company's response to STF 2.9 above, how does the Company believe its receipt of funds from the federal universal service fund will be impacted for the first three years during which construction occurs?
- STF 2.11     Please identify any FCC licenses, franchises or other such approvals the Company would need to acquire in order to provide service in the requested CC&N extension area. Also identify the anticipated time frames it would take to receive each of them.
- STF 2.12     Due to the time zone differences between the Company's customer service office and its Arizona customers during that portion of the year daylight savings time is in effect, has the Company considered, or would the Company be willing, to extend its customer service hours of availability to coincide with normal business hours in Arizona? Please explain the Company's response.
- STF 2.13     In regards to Section VIII of the Company's Application, by geographic groupings, please explain with more specificity why a grant of the Company's Application for that geographic grouping is in the public interest.
- STF 2.14     Should the Company's request for a CC&N extension be granted, what is the time line for the build out of facilities? Please be specific by development name or geographic area to be served.
- STF 2.15     Please identify any sections in the proposed CC&N extension that currently do not have any existing structures that potentially would require telecommunications' services? Of these, to the extent known to the Company, how many have structures planned for construction within the next year and next two years?

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- STF 2.16      Is the Company aware of any other service provider (ILEC, CLEC, cable company, etc.) delivering either voice or data services to any structure within the requested CC&N extension area? If yes, please identify the company, the types of services being delivered and within what sections.
- STF 2.17      Beginning with 2011, please provide a five (5) year forecast of line growth for the proposed CC&N Extension area and identify those developments or geographic areas where the growth is forecast.
- STF 2.18      Please describe the impact the growth identified in STF 2.17 above would have on the existing Millsite exchange switch and central office. For example, would a building addition be required, would the switch require replacement, would the existing switch , DC power plant or other equipment require major additions, etc.
- STF 2.19      Please discuss the Company's ability to effectively handle expansion into the proposed CC&N extension area while also continuing its existing construction and maintenance activities.
- STF 2.20      The last paragraph in Section VII, Financing the Extended Territory, the Company states "upon request, Midvale will provide current financial statements under separate cover to the Arizona Corporation Commission Utilities Division Staff." Please provide any and all financial statements and reports the Company has prepared to provide in support of its application.